

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1910 Prohibited placement of insurance with unauthorized insurer; rebuttable presumption as to availability of coverages; list of unavailable lines of insurance; additions to or deletions from list; publication, revision, and availability of list.

Sec. 1910. (1) Insurance shall not be placed by a licensee with an unauthorized insurer when coverage is available from an authorized insurer.

(2) There shall be a rebuttable presumption that the following coverages are available from an authorized insurer:

(a) No-fault automobile insurance, as required by section 3101, which is not written for a person who is self-insuring motor vehicles pursuant to section 531 of Act No. 300 of the Public Acts of 1949, being section 257.531 of the Michigan Compiled Laws.

(b) Private passenger automobile physical damage coverage.

(c) Homeowners and property insurance on owner-occupied dwellings the value of which is less than the maximum limits of coverage which are available for the property under the general rules of the Michigan basic property insurance association.

(d) Any coverage readily available from 3 or more authorized insurers, unless the authorized insurers quote a premium and terms not competitive with the premium and terms quoted by an unauthorized insurer.

(e) Worker's compensation insurance which is not written for an employer which is partially self-insured pursuant to section 611 of Act No. 317 of the Public Acts of 1969, as amended, being section 418.611 of the Michigan Compiled Laws.

(3) There shall be a rebuttable presumption that the following coverages are unavailable from an authorized insurer:

(a) Coverages where 1 portion of the risk is acceptable to authorized insurers, but another portion of the same risk is not acceptable. The entire coverage may be placed with eligible unauthorized insurers if it can be shown that eligible unauthorized insurers will accept the entire coverage but not the rejected portion alone.

(b) Any coverage that the licensee is unable to procure after diligent search among authorized insurers.

(4) The commissioner shall maintain, on a current basis, a list of those lines of insurance for which coverages are determined by the commissioner to be generally unavailable in the authorized insurance market. Any person may request in writing that the commissioner add or remove a coverage from the current list. The commissioner shall grant or deny a request within 30 days after receiving the written request. The commissioner shall encourage dissemination of information regarding the availability of coverages, for which the public interest necessitates additions to or deletions from the list. The list shall be published at least quarterly and shall be revised as required. The commissioner shall make the list available to all licensees and other members of the public, upon request.

History: Add. 1980, Act 341, Eff. June 23, 1981.

Popular name: Act 218